



STATE BOARD OF EQUALIZATION

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State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
September 27, 2006
NOTICE AND AGENDA**

**Board Committee Meeting Convenes at 9:30 a.m.*
Board Meeting Convenes upon Adjournment of the Board Committee Meeting****

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair, Mr. Chiang, may modify the order of the items on the agenda.

BOARD COMMITTEE MEETING

BUSINESS TAXES COMMITTEE..... Mr. Chiang, Committee Chair

1. Proposed revisions to Regulation 1603, *Taxable Sales of Food Products*, regarding the application of tax to charges for tips and gratuities.

BOARD MEETING

ORAL HEARINGS

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

There are no items for this matter.

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

~~B1. Granite Construction, Inc., 301578~~

~~For Appellant:~~

~~David Grazian, Taxpayer~~

~~Robert Uehling, Taxpayer~~

~~Joseph A. Vinatieri, Attorney~~

~~Jason C. DeMille, Attorney~~

~~For Franchise Tax Board: Daniel Biedler, Tax Counsel~~

B2. ELS Educational Services, Inc., 306326

For Appellant:

Alistair Gatoff, Representative

Robert R. Rubin, Attorney

For Franchise Tax Board: John Penfield, Tax Counsel

~~B3. Estate of Harold A. Small and Muriel T. Small, 310311
Jack M. Gautreaux and Michelle C. Gautreaux, 309716
For Appellant: Jack M. Gautreaux, Taxpayer
M. Lorin Castleman, Attorney
James P. Hanson, CPA
Randy Sugarman, Expert Witness
For Franchise Tax Board: Renel Sapiandante, Tax Counsel~~

C. SALES AND USE TAX APPEALS HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

- C1. PeoplePC, Inc., 300402 (BH)
For Petitioner: Martin Eisenstein, Representative
David Greaves, Witness
Mike Shaw, Witness
For Department: Robert Stipe, Tax Counsel
- C2. Daimler Chrysler Corporation, 297523 (CHA)
For Claimant: Peter O. Larsen, Attorney
Jon D. Universal, Attorney
For Department: Sharon Jarvis, Tax Counsel
- ~~C3. R.E.M. Concepts, Inc., 332323 (EH)
For Petitioner: Joseph A. Vinatieri, Attorney
Whitey Hegwer, Witness
Ellen Hegwer, Witness
Dave Rennie, Witness
For Department: Sharon Jarvis, Tax Counsel~~

D. SPECIAL TAXES APPEALS HEARING

(Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

- D1. Greyhound Lines, Inc., 281179, 327799 (MT)
For Claimant: Richard G. Lock, Representative
William D. Taylor, Attorney
For Department: Randy Ferris, Tax Counsel

E. PROPERTY TAX APPEALS HEARINGS

There are no items for this matter.

F. PUBLIC HEARINGS**F1 Proposed Adoption of Property Tax Rule 474,
Petroleum Refining Properties Ms. Ruwart**

Rule 474 clarifies the requirements under Article XIII, section 1, and Article XIII A, section 2, of the California Constitution for the valuation of real property, personal property, and fixtures used to refine petroleum.

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

(Contribution Disclosure forms not required pursuant to Govt. Code § 15626.)

G1 Legal Appeals MattersMr. Levine

- Hearing Notice Sent – No Response
 1. James George Wagemann, 269022 (UT)
- Petitions for Release of Seized Property
 2. Diem Thuy Thi Nguyen, 358172 (ET)
 3. J and N Bakshi Enterprises, LLC, 358171 (ET)
 4. Chong Choul Kim and Myung Soon Kim, 357784 (ET)
 5. Setrak Agop Najarian, 357234 (ET)

G2 Franchise and Income Tax Matters Mr. Schreiter

- Decisions
 1. ~~Gregory Brunt, 261437~~
 2. Bruce P. Jensen, 330643
 3. Wayne E. Kean, 346182
 4. Song B. Lee and Hae K. Lee, 332190
 5. Maytag Corporation, 265542
 6. Joseph Melendez and Rosemary Persico, 330293
 7. Rhonda Talbot, 330386
 8. Nathalie S. Zimmerman, 325824
- Petition for Rehearing
 9. Steve A. Dent, 306354

**G3 Homeowner and Renter Property Tax
Assistance Matters Mr. Schreiter**

- Decisions
 1. Karen Ahumada, 339272
 2. Henderson Wallace Calloway, 332647
 3. Helen M. Crane, 333483
 4. Ronald D. David, 332887
 5. Jo Ann Galle, 329965
 6. Linda Gheshmi, 333241
 7. Richard Green, 336324
 8. Patricia M. Hall, 336698
 9. Doreene Kay Hanks, 339848
 10. Doris Hester, 336599
 11. Yuriy Ilyasov, 329958

12. Otis Johnson, 339295
13. Chung Soon Kim, 331706
14. Richard Mandell, 331487
15. Martha J. Martin, 335126
16. Raisa Meyerovich, 330358
17. Earl Mohorne, 333199
18. Scott A. Morris, 335143
19. Nam Thi Nguyen, 335147
20. Mikhail Shmain, 330290
21. Helen L. Sunday, 336416
22. Kheng E. Ung, 333304
23. Joseph J. Ward, 336368
24. Donell Wear, 331527
25. Vardanush Zanazanian, 331535

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Sylvan Learning Systems, Inc., 296115 (OHB)
 - ~~2. Corona Networks, Inc., 317698 (GH)~~
- Denial of Claim for Refund
 - ~~3. Bericap, LLC, 294804 (EH)~~

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Credits and Cancellations
 1. Stewart & Stevenson Services, Inc., 358823 (OHC)
 2. 2000 Copiers & Fax, Inc., 357335 (EA)
- Refunds
 3. Little Company of Mary Hospital, 357436 (AS)
 4. MSC Software Corporation, 395934 (EA)
 - ~~5. Dowd & Guild, Inc., 348911 (CH)~~
 6. San Jose Mercury News, Inc., 308261 (GH)
 - ~~7. Husky Injection Molding System, Inc., 346221 (OHB)~~
 8. Bizmart, Inc., 357905 (OHA)
 - ~~9. Merillat Corporation, 357435 (OHA)~~
 10. Mercedes-Benz USA, LLC, 350110 (KH)
 11. The Vons Companies, Inc., 354078 (AA)
 12. The Dow Chemical Company, 316142 (OHA)
 13. M.A.C. Cosmetics, Inc., 357432 (OHB)
 14. The Dow Chemical Company, 357544 (OHA)
 15. Best Buy Store, L P, 335806 (OHA)
 16. Universal City Studios, LLLP, L.P., 344771 (AC)
 - ~~17. Long Beach Acceptance Corporation, 198737 (EA)~~

G6 Special Taxes Matters Mr. Gau

- Relief of Penalty/Interest
 1. Unigard Insurance Company, 354590 (ET) – “CF”

There are no items for the following matters:

- G7 Special Taxes Matters – Credits, Cancellations, and Refunds
- G8 Property Tax Matters
- G9 Cigarette License Fee Matters
- G10 Legal Appeals Property Tax Matters

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY
 (Contribution Disclosure forms required pursuant to Govt. Code § 15626.)

H1 Legal Appeals Matters

There are no items for this matter.

H2 Franchise and Income Tax Matters..... Mr. Schreiter

➤ Decisions

1. Terry L. Moreland and Peggy J. Moreland, 286425
2. Mark Crumpacker, 313396
3. Robert Eugene Wesley, 317301

There are no items for the following matters:

- H3 Homeowner and Renter Property Tax Assistance Matters
- H4 Sales and Use Taxes Matters

H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

➤ Refund

1. Mitsubishi Electric Power Products, Inc., 289311

There are no items for the following matters:

- H6 Special Taxes Matters
- H7 Special Taxes Matters – Credits, Cancellations, and Refunds
- H8 Property Tax Matters
- H9 Cigarette License Fee Matters
- H10 Legal Appeals Property Tax Matters

I. TAX PROGRAM NONAPPEARANCE MATTERS
 (Contribution Disclosure forms not required pursuant to Govt. Code § 15626.)

I1 Property Taxes Matters..... Mr. Gau

➤ Board Roll Changes

1. 2004, 2005, and 2006 State-Assessed Property Rolls – “CF”

I2 Offers-in-Compromise Recommendations

There are no items for this matter.

CHIEF COUNSEL MATTERS**J. Rulemaking****J1 Request to publish *Board of Equalization Rules for Tax Appeals*.....Mr. Lambert**

The *Board of Equalization Rules for Tax Appeals* provides more clarity and comprehensive guidance regarding the administrative and appellate review processes for all of the tax and fee programs administered by the Board, including Taxpayer Bill of Rights Reimbursement Claims.

- Chapter 1: *Title*
- Chapter 2: *Sales and Use Tax, Timber Yield Tax, and Special Taxes and Fees*
- Chapter 3: *Property Taxes*
- Chapter 4: *Appeals from Actions of the Franchise Tax Board*
- Chapter 5: *General Board Hearing Procedures*

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

ADMINISTRATIVE SESSION**N. Consent Agenda Mr. Evans****N1 Approval of Board Retirement Resolutions**

- Francis E. Coryell
- Allegretta N. Barnes

N2 Approval of County Assessors' Retirement Resolutions

- Honorable E. Dan O'Connell, Colusa County Assessor
- Honorable Gerald D. Cochran, Del Norte County Assessor
- Honorable Robert Lowrimore, Mariposa County Assessor/Recorder
- Honorable David A. Cardella, Merced County Assessor
- Honorable Josephine Johnson, Modoc County Assessor
- Honorable Cris Andrews, Shasta County Assessor/Recorder
- Honorable William G. Copren, Sierra County Assessor
- Honorable Eeve T. Lewis, Sonoma County Assessor/Clerk/Recorder
- Honorable David W. Wynne, Tuolumne County Assessor/Recorder
- Honorable Dick Fisher, Yolo County Assessor

- N3 Approval of Board Meeting Minutes
 - June 13-14, 2006
- N4 Approval of Corrected Board Meeting Minutes
 - April 18, 2006
- N5 Approval of 2007 Diesel Fuel Tax Rate for Interstate Users
- N6 Approval of 2007 Hazardous Waste Fees and Occupational Lead Poisoning Prevention Fee
- N7 Summons to Annual Meeting of the Board and County Assessors
- N8 Approval of 2007 Board Workload Plan

O. Approval of Board Committee Meeting Minutes

- O1 Business Taxes Committee

P. Other Administrative Matters

- P1 **Executive Director's Report**.....**Mr. Hirsig**
Executive Director's opportunity to report on matters of interest to the Board.
- ~~P2 **Interagency Agreements Over \$1 Million**.....**Ms. Johnson**~~
 - ~~1. Department of Toxic Substances Control. This contract provides for Board of Equalization to administer the Hazardous Substances Tax Program for the Department of Toxic Substances Control.~~

ANNOUNCEMENT OF CLOSED SESSION..... **Mr. Evans**

Q. Closed Session

- Q1 Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Discussion and action on personnel matters (Govt. Code § 11126(a))

ANNOUNCEMENT OF OPEN SESSION **Mr. Evans**

ADJOURN

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If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

The hearing location is wheelchair accessible. If you require assistance, please contact Cathy Stroh at (916) 324-2599, or e-mail Cathy.Stroh@boe.ca.gov to make special arrangements.

Gary Evans, Acting Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.